



State of Louisiana

**Bureau of Health Services Financing (Medicaid)
Office of Aging and Adult Services
Office for Citizens with Developmental Disabilities**

Request for Information

**Long Term Services and Supports for Persons Enrolled in
Louisiana Medicaid**

November 29, 2012

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PURPOSE

The Louisiana Department of Health and Hospitals (DHH) is seeking creative, innovative and viable strategies that will assist Louisiana with restructuring the organization and delivery of Medicaid services to individuals receiving Medicaid-funded Long Term Services and Supports (LTSS). The key objectives of restructuring are to:

- Improve quality of services and health outcomes;
- Decrease fragmentation and improve coordination of care;
- Create a system that utilizes proven and/or promising practices;
- Refocus the system in order to increase choice and provide more robust living options for those who need LTSS and their families; and
- Rebalance the system in order to meet the growing demand for services within the existing level of expenditures for the LTSS population.

Responders are encouraged to propose efficient managed care delivery options for providing comprehensive, quality care in a cost effective and sustainable manner, including recommending the populations and types of services for inclusion in the proposed delivery model(s). **Responders may elect to address one or more of the six scenarios contained in the table below.**

Population Receiving LTSS	Type(s) of Services		
Medicaid Only	Acute Care Services Only	Acute Care Services and Home and Community Based Services	Acute Care Services and Home and Community Based Services and Facility Services
Medicare and Medicaid (Dual Eligibles)	Acute Care Services Only	Acute Care and Home and Community Based Services	Acute Care Services and Home and Community Based Services and Facility Services

DHH is issuing this Request for Information (RFI) for planning purposes only with the intent to gather information required to implement coordinated care model(s) for the Medicaid Long Term Supports and Services population.

GENERAL INFORMATION

Background

The mission of the Department of Health and Hospitals (DHH) is to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the state of Louisiana. DHH is dedicated to fulfilling its mission through direct provision of quality services, public and private sector partnerships, and the utilization of available resources in the most effective manner.

DHH includes the Bureau of Health Services Financing (BHSF) which is the single state Medicaid agency for Louisiana and, and four program offices: Office of Public Health, Office of Behavioral Health, Office for Citizens with Developmental Disabilities, and Office of Aging and Adult Services. Under the general supervision of DHH's Secretary, these principle offices perform the primary functions and duties assigned to DHH.

BHSF administers the Medicaid Program for the state of Louisiana. The Medicaid Program is the nation's major public financing program for health care expenses including LTSS for seniors and people with disabilities who have limited income and resources.

BHSF provides the funding, oversight and monitoring for both acute care services and LTSS including--

- **Medicaid State Plan Services** (i.e. nursing facility care, Intermediate Care Facilities for People with Developmental Disabilities or ICF/DD, personal care services and hospice, home health)
- **Medicaid Waiver Services** provided through six of Louisiana's Medicaid 1915(c) Home and Community Based (HCBS) waivers.

The Office for Aging and Adult Services (OAAS) has responsibility for operating the Long Term Personal care Services program and the 1915(c) waivers designed for seniors and individuals with adult-onset disabilities. Those waivers are:

- Community Choices Waiver
- Adult Day Health Care (ADHC)

The Office for Developmental Disabilities (OCDD) has responsibility for operating the 1915(c) waivers designed for individuals with developmental disabilities:

- New Opportunities Waiver (NOW)
- Children's Choice Waiver
- Supports Waiver
- Residential Options Waiver (ROW)

Existing Delivery System for Acute Care Services

In 2012, Louisiana implemented Bayou Health, which is a managed care delivery model designed to improve health outcomes and contain costs through coordination of acute care services for approximately 875,000 Medicaid enrollees. Bayou Health's **excluded** populations include 1) Medicare dual eligibles, 2) individuals residing in facilities and 3) individuals enrolled in a Medicaid waiver including 1915(c) waivers. State Plan services **excluded** from the Bayou Health benefits and services package include nursing facility care, ICF/DD facility care, personal care services, hospice and PACE. It is important to note that non-dual eligible recipients of Long Term Personal Care Services are enrolled in Bayou Health, although the service itself is excluded. Excluded populations continue to receive all services through the state's legacy Medicaid program which is fragmented, highly inefficient, and often ineffective.

Since March of 2012, most Medicaid behavioral health services are provided through the Louisiana Behavioral Health Partnership (LBHP) which is a Prepaid Inpatient Health Plan (PIHP) model of Medicaid managed care. Magellan receives a monthly capitation payment and is "at risk" for behavioral health and addiction services provided to approximately 271,000 adults. For approximately 734,000 children under age 21 (certain services are available for children up to age 22). Magellan is paid a monthly management fee and acts as the statewide management organization. Populations **excluded** from receiving behavioral health services through LBHP are those individuals residing in Nursing facilities and ICF/DD facilities.

Existing Long Term Supports and Services (LTSS) Delivery System

For the purposes of this RFI, long term supports and services are defined as those services provided either in a facility, residential setting, or in the home to an individual who, due to a terminal condition, disability, illness, injury or infirmity, requires assistance with activities of daily living for weeks or years duration.

Facility based care is commonly provided through nursing homes or intermediate care facilities for people with developmental disabilities (ICF/DDs). Facility based care, while necessary for the most vulnerable populations, is often over-utilized, and is unnecessarily restrictive for many of the individuals who could otherwise function quite well within their homes with well-coordinated and typically less expensive HCBS services.

HCBS is provided to many Medicaid recipients in the form of personal care services (PCS) through the Medicaid program (i.e. Medicaid State Plan) and other enhanced services such as [day habilitation, adult day health care, private duty nursing] through Medicaid State Plan and waiver programs.

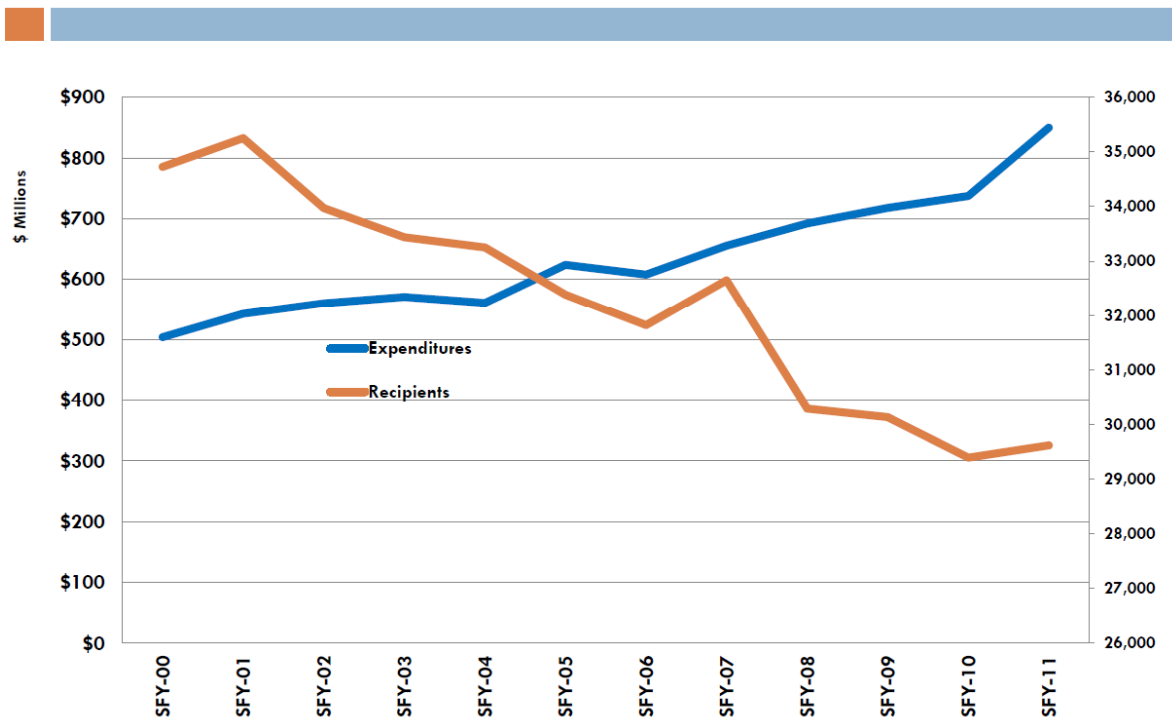
As the population of Louisiana ages in the coming years, there will likely be a continual increase in demand for long term services and supports.

Nursing Facilities

Louisiana has historically relied heavily on institutional care for populations needing long term services and supports. Over the last several years, DHH has strived to expand programs that will keep individuals in their homes and communities rather than admitting them to facilities. However, while the state has experienced a great deal of success in this area, Louisiana remains one of the top five states for nursing home utilization per capita for persons over age 85. High utilization co-exists with low occupancy rates (72%) in nursing homes since Louisiana also has one of the highest per capita ratios of nursing home beds in the country. Medicaid is the primary payer 73% of nursing facility residents.

While utilization of nursing facility services has decreased, payments to nursing homes have consistently increased. (See Table.) In 2008 Louisiana ranked first in the nation in percentage of nursing home residents with low care needs (31%). As a group, Louisiana nursing facilities perform below average on most quality indicators. For example, 32% of long stay residents have a hospital admission, ranking second in the nation.

Expenditures vs. Recipients in Nursing Homes



Intermediate Care Facilities for Developmentally Disabilities (ICF/DD)

Louisiana has a disproportionately high number of large and small institutional facilities (Intermediate Care Facilities for People with Developmental Disabilities – ICFs/DD) that are publicly or privately owned and/or operated (see table below). Although Louisiana has reduced the public institutional population from 1,615 individuals in 2004 to 414 in a single remaining public ICF/DD the State lags far behind the rest of the nation in terms of promoting community-based supports and services as an alternative. As a result long term care expenditures for people with Intellectual and Developmental Disabilities (IDD) are not being used in the most cost-effective manner.

Louisiana ICF and HCBS Comparison¹

Persons served per 100,000		ICF	HCBS
	Louisiana	106.7	181.6
	National Average	28.4	191.8
	National Rank	1st	28th
Percent Expenditures	Louisiana	54%	46%
	National Average	33%	67%
	National Rank	7th	22nd

Home and Community Based Waiver Services

Most people prefer to not live in a long term care facility. The case for movement towards sustainable community living options is supported by the national “Olmstead” mandate and Louisiana class action suits, such as *Barthelemy v Hood*, *Chisholm v Hood*, and the Department of Justice’s settlement with DHH over its large public institutions.

Currently, only 60 percent of Louisiana’s residents with developmental disabilities receive home- and community-based waiver services (HCBS) compared to the national average of 86 percent. Louisiana’s home- and community-based services spending versus institutional spending for the DD population is more than 20 percentage points lower than the national average of 66 percent.

Only 49 percent of Louisiana’s older adults and adults with physical disabilities receiving LTSS are receiving those services through an HCBS program compared to the national average of 61 percent². However, in 2011, HCBS programs for older adults and people with adult onset disability cost \$12,919 less per person than Medicaid nursing home care. DHH’s HCBS programs perform as well or better than nursing facilities on Agency for Healthcare Research and Quality (AHRQ) of avoidable hospitalizations and Healthcare Effectiveness and Data Information Set (HEDIS) measures related to basic preventive

¹ Larson, S.A, Ryan, A., Salmi, P., Smith, D., and Wurio, A. (2012). Residential Services for Persons with Developmental Disabilities: Status and Trends through 2010, Minneapolis: University of Minnesota, Research and Training Center on Community Living, Institute on Community Integration.

² http://www.aarp.org/content/dam/aarp/research/public_policy_institute/ltc/2012/across-the-states-2012-full-report-AARP-ppi-ltc.pdf

health screenings. Additionally, surveys conducted with a random, statistically valid sample of recipients show high levels of satisfaction with DHH's community-based programs.

DHH operates 6 Medicaid HCBS waiver programs as well as a Medicaid state plan personal care services program. Three of these programs – the Community Choices waiver, New Opportunities Waiver, and Long Term Personal Care Services (LTPCS) -- employ an assessment-based resource allocation method that assigns individual budget levels based on acuity. Information about the services provided by these programs and their eligibility requirements is summarized in Appendix A. More detailed information about eligibility and services managed by OAAS is available on program Fact Sheets at <http://www.dhh.la.gov/index.cfm/page/121/n/127>.

Summary of Long Term Supports and Services (LTSS) Programs

OAAS LTSS						
	Duals	Served	Slots	Waiting List	Total Cost FY 12	PMPM Cost for LTSS
Community Choices	90%	5,459	4,803	34,695	\$110,550,956	\$26,000
ADHC	91%	1,069	825	2,945	\$9,116,320	\$15,009
PCS	66%	18,393	N/A	N/A	\$185,443,183	\$13,306
Nursing Facility	87%	31,558	N/A	N/A	\$770,850,604	\$41,978
OCDD LTSS						
	Duals	Served	Slots	Waiting List	Total Cost FY 12	PMPM Cost for LTSS
Children's Choice	0.1%	1,246	1,475	5,091*	\$10,500,000	\$10,850
NOW	84.5%	8,284	8,832	9,660	\$377,000,000	\$51,204
Supports	15.2%	1,560	2,188	666	\$13,000,000	\$8,085
Residential Options		25	265		\$1,000,000	\$32,177

* The Children's Choice registry is a subset of the NOW list.

Personal Care Services

The Personal Care Services program for adults age 21 and older is managed by OAAS and provides coverage through the Medicaid State Plan to help with activities of daily living such as bathing, dressing, transferring, toileting and eating, for people who qualify for assistance under the program guidelines.

Medicare-Medicaid Dual Eligibles

Individuals who are eligible for both Medicare and Medicaid benefits (“dual eligibles” or “duals”), when viewed as a unique population, have a distinguishing set of characteristics which make them the most in need of specialized health care services and therefore, the most expensive to care for. They have high rates of chronic illness, and many have multiple chronic illnesses which make treatment that much more complex. Compounding the problem even further, the duals are insured by two government agencies that do very little to coordinate their programs, which means that this population typically receives highly inefficient and often ineffective health care. There are about 100,000 individuals in Louisiana receiving both full Medicaid and Medicare benefits.

RESPONSE REQUIREMENTS

The response to this RFI is anticipated to reflect the various components and implementation issues related to managed care program design and implementation for Louisiana Medicaid recipients as outlined in this RFI. The response should include your areas of expertise and any experience in managing the population in other states. Results of prior experiences in managing such a population will be useful. These results should include improved choices for recipient, improved recipient outcomes and cost avoidance for the state. You are encouraged to be as detailed as possible and invited to suggest and comment on any other related issues not specifically outlined below.

Responders are requested to describe their approach to providing Medicaid health care services to the populations described here, include the following:

- Populations to be included;
- Best enrollment model for program;
- Supports and services (Medicaid and non-Medicaid funded) essential to include in the model ;
- Approach to conflict-free case management;
- Inclusion of behavioral health;
- How the system will use evidence-based best practices for treatment and patient care;
- Identify partnerships that might be formed;
- Education and outreach (for providers, Medicaid enrollees, and stakeholders) necessary prior to implementation;

- Issues DHH should include in any Request for Proposals;
- Standard that should be met for cultural competency, sensitivity to the needs of the dual eligible population (if applicable) and accessibility prior to enrolling recipients;
- Evaluation of success of the delivery model and over what timeframe;
- Potential financial arrangements for sharing risk and rate-setting appropriate for population; Principles that should guide DHH in requiring specific approaches for rate-setting; and
- Timeline necessary for implementation.
- Potential risks and benefits of the approach(es) proposed.

Responses should be limited to fifteen (15) 8 ½ x 11 pages and identified as **Medicaid Long Term Services and Supports RFI** on either the electronic subject line or on the exterior of the envelope. Responses should be delivered via e-mail, postal mail or delivery by January 28, 2013 to the RFI Coordinator:

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DHH will not pay for preparation or information related to responses submitted.

All written or electronic responses regarding this RFI are subject to Louisiana's public records law.

Library

DHH will maintain an electronic library on its website at <http://www.dhh.louisiana.gov/index.cfm/newsroom/category/46> which will include relevant links and documents related to this RFI.

Appendix A: Summary of HCBS Waiver Programs Eligibility and Services

HCBS Program	Operating Agency	Medicaid Authority	Eligible Population	Services
Community Choices	OAAS	1915(c) waiver	Older adults and others with a disability age 21 or older who meet nursing facility level of care	Support coordination, Personal care attendant, nursing, skilled maintenance therapies (PT, OT, Speech), assistive technology, respite, home-delivered meals, home modifications.
Adult Day Health Care	OAAS	1915 (c) waiver	Older adults and others with a disability age 22 or older who meet nursing facility level of care	Support coordination, adult day health care
Personal Care Services	OAAS	State Plan	Older adults and others with a disability age 21 or older who meet nursing facility level of care and require assistance with activities of daily living	One-on-one personal assistance with activities of daily living and instrumental activities of daily living
Children's Choice	OCDD	1915(c) waiver	Individuals age birth through at 18 and meet the Louisiana definition for developmental disability. Recipients must meet the ICF/DD level of care for medical and/or psychological criteria.	Support Coordination, Family Support, Center-Based Respite, Environmental Accessibility Adaptations, Family Training. New services approved not yet implemented: Specialized Medical Equipment and Supplies as an extended state plan service, Applied Behavioral Analysis-based Therapy, Aquatic Therapy, Art Therapy, Music Therapy, Sensory Integration, Hippotherapy/Therapeutic Horseback

HCBS Program	Operating Agency	Medicaid Authority	Eligible Population	Services
				Riding
New Opportunities Waiver	OCDD	1915(c) waiver	Individuals age 3 and older who have a developmental disability which manifested prior to age 22 and meet the Louisiana definition for developmental disability. Recipients must meet the ICF/DD level of care for medical and/or psychological criteria.	Individualized and Family Support Service (day & night) Center Based Respite, Community Integration and Development, Environmental Accessibility Adaptations, Specialized Medical Equipment and Supplies as an extended state plan service, Supported Living, Substitute Family Care, Day Habilitation and Transportation for Day Habilitation, Supported Employment and Transportation for Supported Employment, Employment Related Training, Professional Services, Personal Emergency Response System, Skilled Nursing Services, One-Time Transitional Services. New services approved not yet implemented: Companion Care, Remote Assistance.
Supports Waiver	OCDD	1915(c) waiver	Individuals age 18 and older who have a developmental disability which manifested prior to age 22 and meet the Louisiana definition for developmental disability. Recipients must meet the ICF/DD level of care for medical and/or psychological criteria.	Support Coordination, Supported Employment, Day Habilitation, Prevocational Services, Respite, Habilitation, Personal Emergency Response System
Residential Options Waiver (ROW)	OCDD	1915(c) waiver	Individuals from birth through end of life who have a developmental	Support Coordination, Community Living Supports, Companion Care, Host Home, Shared Living, One-Time Transitional Services, Environmental Modifications,

HCBS Program	Operating Agency	Medicaid Authority	Eligible Population	Services
			disability which manifested prior to age 22 and meet the Louisiana definition for developmental disability. Recipients must meet the ICF/DD level of care for medical and/or psychological criteria.	Assistive Technology/Specialized Medical Equipment, Personal Emergency Response System, Center-Based Respite, Nursing, Dental, Professional Services, Transportation-Community Access, Supported Employment, Prevocational Services, Day Habilitation

Appendix B: SFY 12 LTC Recipients and Payments by Category of Service

Payments

COS	Description	Duals		Non-Duals	
		Direct	Acute	Direct	Acute
03	SNF Service	659,429,431	32,295,096	130,475,416	71,572,312
04	ICF-DD	270,929,988	2,117,962	190,083,135	20,605,404
14	Adult Day Health Care Waiver	7,805,925	5,874,930	1,359,941	1,998,094
43	Children's' Choice Waiver	37,712	24,852	13,229,514	20,367,909
66	Hospice / NF	46,777,121	3,721,041	12,494,060	8,712,084
68	Contracted Case Management	7,592,150	197,524,804	8,584,343	210,071,229
70/62	NOW Waiver	209,779,869	11,245,738	180,480,250	44,746,262
71	LTC - Personal Care Services	120,982,281	21,518,276	64,374,159	80,813,056
78	Supports Waiver	7,296,997	1,851,976	6,060,255	5,074,691
80	Residential Options Waiver (ROW)	300,948	28,963	456,709	392,559
85/64	Community Choices Waiver	96,922,336	6,608,307	13,587,690	11,271,518

Recipients

COS	Description	Duals		Non-Duals	
		Direct	Acute	Direct	Acute
03	SNF Service	27,600	25,025	4,514	4,031
04	ICF-DD	3,065	3,017	2,123	2,108
14	Adult Day Health Care Waiver	944	864	144	133
43	Children's' Choice Waiver	4	4	1,463	1,461
66	Hospice / NF	4,085	3,685	1,491	1,227
68	Contracted Case Management	4,172	4,163	5,333	5,315
70/62	NOW Waiver	4,153	4,147	4,430	4,409
71	LTC - Personal Care Services	12,145	11,698	6,742	6,476
78	Supports Waiver	1,018	1,002	1,009	998
80	Residential Options Waiver (ROW)	13	12	18	18
85/64	Community Choices Waiver	4,799	4,407	727	750

NOTE: Duals are identified on the MDE table as Molina.